

(Copy)

Burley, Idaho, October 6, 1919.

Mr. J. M. Luney,
Chief Clerk, U. S. Reclamation Service,
Denver, Colorado.

Dear Mr. Luney:

Referring to my letter of September 23 on the subject of "budget", I wish to modify my statement as to increased compensation. It does not make any difference whether you use the amount earned or the amount paid as whatever amount you show in the budget must be added to the balance of form 7-856, unless you consider this column as a memorandum only as suggested by Mr. Meyer, which, in my opinion, is the better way to handle it as it is only a matter of information and not needed to balance the figures, in fact, as I have explained, as at present outlined it prevents reconciliation of figures in budget and form 7-856. The amount paid during the fiscal year is the better figure to use as in the end it would cover the amount earned and would also include Washington transfers. It is also easy to get as it is shown on form 7-856 and will not require reference to timebooks.

I feel sure that you have by this time decided that the form and method proposed by Mr. Meyer is superior to the form now in use. Instead of being more work his method results in less work, as it is clean cut and brings positive results. While the present instructions provide that an exact agreement need not be reached between the balance according to blue print and according to form 7-856 everyone who is interested will attempt to reach a very close agreement at least. This entails looking for items which may affect the reconciliation, and this may take some time and be quite puzzling and some items may be overlooked; for example, it took me quite a while to notice that payroll deductions credited to revenue accounts, such as rental of buildings is not shown in the budget, as at present outlined, and must be taken into consideration in reconciling balances, while payroll deductions credited to reimbursable accounts will be taken care of on the budget. Meyer's method picks up all these things, and his column "Accounts receivable, revenue accounts and collections" is the same as proposed in paragraph 3, method 2 of my letter to you of August 26th. These items---lacking a column for them in the budget, I have added to or subtracted for the balance in 7-856 to reach an approximate reconciliation, but this method necessitates a running memorandum of items considered in determining the item to be shown in the last column of the blue print. I have handled "Changes in encumbrances for other fiscal years made in this fiscal year" in the same manner as you will note by my letter of September 23rd.

for other fiscal years made in this fiscal year" in the same manner as you will note by my letter of September 23rd. That is, I have used the figures which he shows in these two columns in reaching the correct balance to be shown in the last column of the blue print rather than to reach a correct total in the blue print, as he does, which will agree with the balance of 7-856 plus contingent obligations. Mr. Meyer proposes to add another column to care for differences in green and yellow transfers, and this may be done, but it probably would be satisfactory if these adjustments were included in the column "Changes in encumbrances" as it will apparently not make much difference if the figures shown in the column are affected by the difference in transfers as they will obly be used approximately as a matter of information.

I would favot a change in instructions to embrance the form and method proposed by Mr. Meyer.

Very truly yours,

(Signed) A. H. Gullickson,

Examiner of Accounts.

CC to Chief Accountant
W. A. Meyer.